



UK Equal Pay Review Guidance 2014

For Managers and HR

<u>Contents</u>	Page
Introduction	3
1 What is the Equal Pay Principle?	3
2 What is the Equal Pay Policy?	3
<i>General Policies</i>	3
<i>Who is eligible to be considered for the Equal Pay Review?</i>	3
<i>Who is not eligible to be considered for the Equal Pay Review?</i>	3
3 How are the pay awards determined?	4
<i>Indicative Increases</i>	4
<i>Cut Off Points</i>	4
<i>Treatment for individuals whose salary is below the range minimum or who are new to their role</i>	4
<i>How do I validate who is eligible for an Equal Pay award?</i>	4
<i>Role Code Mapping</i>	5
<i>Performance Rating History</i>	5
4 How will Equal Pay Awards be communicated?	6
5 What are the key dates I need to be aware of?	6
Appendix 1	7
<i>Worked Examples</i>	7
Appendix 2	8
<i>Decision Tree</i>	8
Appendix 3	9
<i>Questions & Answers</i>	9

Introduction

This document explains BT's approach to managing the 2014 Equal Pay Review. It explains the responsibilities of Reviewing Managers to complete the validation exercise. Guidance on the communication of awards will be issued separately.

Please refer to the [Equal pay home page](#) and the Reviewing Manager Decision Tree (see Appendix 2) for actions that Reviewing Managers need to take throughout the review.

1 What is the Equal Pay Principle?

The aim of the Equal Pay review is to focus salary increases on people who are low in range to mitigate any equal pay risk.

2 What is the Equal Pay Policy?

General Policies

- The equal pay review will be conducted in November/December 2014. Employees confirmed as receiving an award by their Reviewing Manager will receive a base pay increase effective 1st January 2015.
- In line with BT's established salary management principles, pay awards will be driven by performance and position within the salary range for their reward framework role.

Who is eligible to be considered for the Equal Pay Review?

- Individuals on a UK Reward Framework contract employed by BT at 31st January 2015 and not working notice period as at that date are eligible to be considered for the Equal Pay Review.
- Individuals in a UK Reward Framework role with a published UK pay range.
- Individuals with an FTE salary that is below the cut-off point for their role, unless the resulting award is less than £100
- Individuals with a 2013/2014 APR of DN or above and a 2014/2015 Q2 QPR of DN or above.
- Team Members (those covered by NewGRID agreements) promoted into the Reward Framework on or before 1st November 2014.
- Redeployees who are in a Reward Framework role and meet the eligibility criteria.

Anyone who meets these criteria will be loaded onto e-Pay with a proposed position as a guide. The proposed position will be based on the available performance and time in role data and, it is this proposed position which needs to be validated by the Reviewing Manager.

Individuals in scope for the Equal Pay Review are eligible for a salary award unless the Reviewing Manager is able to provide justifiable reasons for exclusion to their Pay Lead.

Who is not eligible to be considered for the Equal Pay Review?

- Individuals signed up to leave on paid leaver terms and whose leaving date is on or before 31st January 2015 are not eligible for the Equal Pay Review.

- Team Members, Graduates and those on NOROLE/Outsource/Acquisition role codes are excluded from the Equal Pay Review.
- Individuals with a 2013/2014 APR or a 2014/15 Q2 QPR of Unsatisfactory.
- Individuals who are within £100 of the cut-off.

If a Reviewing Manager suspects an individual should be included, they should first check using the Equal Pay Eligibility Checker on the [Equal pay home page](#) and then inform their Pay Lead if appropriate.

3 How are the pay awards determined?

In January 2015 BT will invest 0.3% of the pay bill in addressing equal pay for people in the Reward Framework in the UK.

The final awards will not be discretionary. Line managers are responsible for confirming eligibility and not the award value. Pay awards are driven centrally using a matrix.

Indicative Increases

APR	Development Needed	Achieves Standards	Very Good	Excellent
Increase	1.4%	2.1%	2.8%	4.0%

In most cases the 13/14 APR will drive the increase (see 'below range and new to role' for exceptions). The finalised level of increases within the matrix may fluctuate very slightly depending on the eligibility criteria of performance, role mapping and final numbers confirmed as 'IN' by the reviewing manager.

Cut Off Points

Benefit Band	Cap (% of the mid-point)
1	92%
2	85%
3*	85% - * for roles where the range is +/-20% of the mid-point eg £80,000 – £100,000 – £120,000
3#	77.5% - # for roles where the range is +/-30% of the mid-point eg £70,000 – £100,000 – £130,000

Treatment for individuals whose salary is below the range minimum or who are new to their role

Individuals with a current salary below the minimum of their range and confirmed as eligible will be moved to the minimum salary for their role or receive an increase in line with their 2013/14 APR, whichever is the greater. Where an individual has received a role code change since 1st April 2014, the 2014/15 Q2 QPR will be taken as the basis instead. By exception there may be cases which need to be reviewed independently.

How do I validate who is eligible for an Equal Pay award?

Reviewing managers will receive an e-mail at the start of the Equal Pay Review with a list of those individuals loaded onto e-Pay with their proposed In/Out status for the review. The Reviewing Manager is responsible for conducting a thorough review to agree eligibility. If the Reviewing Manager agrees with the proposal in e-Pay no further action is required. If they disagree with the proposal they will need to contact their Pay Lead and provide justification to support the decision. Using this guidance document and the "Reviewing Manager Decision Tree" (see Appendix 2) the Reviewing Manager should validate the default eligibility position for those in scope for review.

Role Code Mapping

If a Reviewing Manager thinks that a role code is incorrect they should contact their HR Business Partner to review the role mapping by referring to the published role mapping descriptors which are available to download from the Reward Framework website:

https://intra.bt.com/bt/hr/reward/reward_framework/job_families/Pages/job_families_structure.aspx

The Reviewing Manager should also notify their Pay Lead who will make the individual “ineligible” for the review in e-Pay. Once the correct role code has been agreed, eligibility for inclusion in the Equal Pay Review will then be considered outside of e-Pay against the new role and range. An Equal Pay increase will be applied if the individual would have been eligible comparing their salary to the new role range and following the decision tree.

Performance Rating History

Where possible, 3 years of APR ratings and a Q2 2014/15 QPR rating are loaded into e-Pay.

End of year APR ratings have been taken from the e-Performance system. If APR ratings are incorrect Managers should contact their Pay Lead with full APR documentation as supporting evidence for eligibility decisions.

- Employees with a 2013/14 APR of DN or above and a 2014/15 Q2 rating of DN or above have been loaded as “Proposed In” – see process flow for guidance and examples in Appendix 3.
- Employees without a 2013/14 APR or 2014/15 Q2 QPR have been loaded as “Proposed Out”. It is the Reviewing Managers responsibility to determine the missing APR rating and advise their Pay Lead. See ‘Decision Tree’ in Appendix 2.
- Employees on the formal stages of the Managing Under-Performance Procedure should be made ineligible for the review (if they have not already been ‘Proposed Out’). Coaching plans/development plans are not part of the formal stages of the MUP procedure.

If the Reviewing Manager’s decision differs from the proposed position, the Reviewing Manager should contact their Pay Lead to provide justification to support the new position. An appropriate reason code from the list below should be used.

e-Pay Eligibility Reason Codes

The following reason codes should be used when changing eligibility:

Reason	Explanation
Incorrect role mapping - Out	The role mapping shown on the Equal Pay system is not correct.
Performance – Out	Performance justifies current pay position - please record details in "comments".
Performance – In	Performance does not justify current pay position (see "missing performance" option/ reason).
Missing performance data - In	Missing APRs have been located and do not justify current pay position - please supply details of missing APRs in "comments".
Incorrect performance data - Out	APR data recorded in the Equal Pay system incorrect. Correct performance history justifies current pay position (see "performance" options/ reasons)
Incorrect performance data - In	APR data recorded in the Equal Pay system incorrect. Correct performance history does not justify current pay position (see "performance" options/ reasons).
Salary wrong – Out	The salary details shown in the Equal Pay system do not reflect a recent change - please consult your Pay Lead or HR Business Partner.
Leaver – Out	Individual is leaving BT before the effective date of the new salary.
Multiple reasons – In	More than one of the reasons above apply - please state clearly in the "comments" the rationale for inclusion.

Multiple reasons – Out	More than one of the reasons above apply - please state clearly in the "comments" the rationale for exclusion.
Other – In	Reason for inclusion not listed above - please state clearly in the "comments" the rationale for inclusion.
Other – Out	Reason for exclusion not listed above - please state clearly in the "comments" the rationale for exclusion.

All employees who are confirmed as eligible for a salary award will receive a centrally determined base pay increase.

Note - Care should be taken to ensure discrimination does not occur. For example women on maternity leave who meet all other criteria must be included in the review.

4 How will Equal Pay Awards be communicated?

Once e-Pay opens for the communication phase on the 6th January 2015, Reviewing Managers will be able to log on and download a letter confirming the amount of the award.

Reviewing Managers must hold a 1:1 meeting with all their potentially eligible employees to communicate the outcome of the review. This meeting must be held by 23rd January 2015 and employees must leave this meeting with a full understanding of the review process and the reasons why they have been included or excluded from the review. The meeting should ideally be conducted face to face.

Payslips will be visible on gatekeeper on the 26th January 2015.

5 What are the key dates I need to be aware of?

Event	Date
Reviewing Manager Knowledge call	13 th November
e-Pay opens to Managers to confirm eligibility	18 th November
Reviewing Manager recommendations to be completed by	26 th November
e-Pay open to Managers with pay award details	6 th January
Reviewing managers to hold 1:1 with all eligible employees by	23 rd January
Pay slips visible on gatekeeper	26 th January
e-Pay closes to Managers	31 st January
Pay awards effective	1 st January

Appendix 1

Worked Examples

Note - In all cases the Reviewing Manager should work through the process flow to determine whether the individual is eligible for review. These worked examples should be treated as supplementary guidance. They do not replace the need to use the process flow. All worked examples presume the current role mapping is correct.

E1. Individual has had a role code change since 1 April 2014, 2014/15 Q2 QPR rating is DN or above, all performance history DN or above currently paid low within the salary range.

A. Individual should be included in the review.

E2. Current salary is under range for their role, 2013/14 APR rating is DN or above, all other performance history is DN or above.

A. Individual should be included in the review.

E3. The 2013/14 APR rating is DN. Q2 14/15 QPR DN. All other performance history AS or above.

A. Individual should be included in the review unless there is evidence of a continued deterioration in performance towards an “Unsatisfactory” rating. If the line manager wishes to propose changes they should contact their pay lead and provide detailed justification to support the decision. The reasons for any exclusion must also be provided to the individual.

E4. The 2013/14 APR is DN, Q2 2014/15 QPR U.

A. Individual is not eligible for an increase in the Equal Pay Review.

E5. The 2013/14 APR is AS or above, Q2 2014/15 QPR DN or above, 1 period of low performance, AS/DN or DN/U rating in previous years.

A. Individual is likely to be included in the review. A single period of low performance is unlikely to warrant a low pay position.

E6. 2013/14 APR rating AS, all performance history AS or above apart from Q2 2014/15 QPR rating which is U.

A. Individual is not eligible for an increase in the Equal Pay Review.

E7. 2013/14 APR rating AS. Q2 2014/15 QPR rating of DN. All performance history DN or above.

A. Individual should be included in the review.

E8 Individual moved to a new role whose salary is below the minimum for the role.

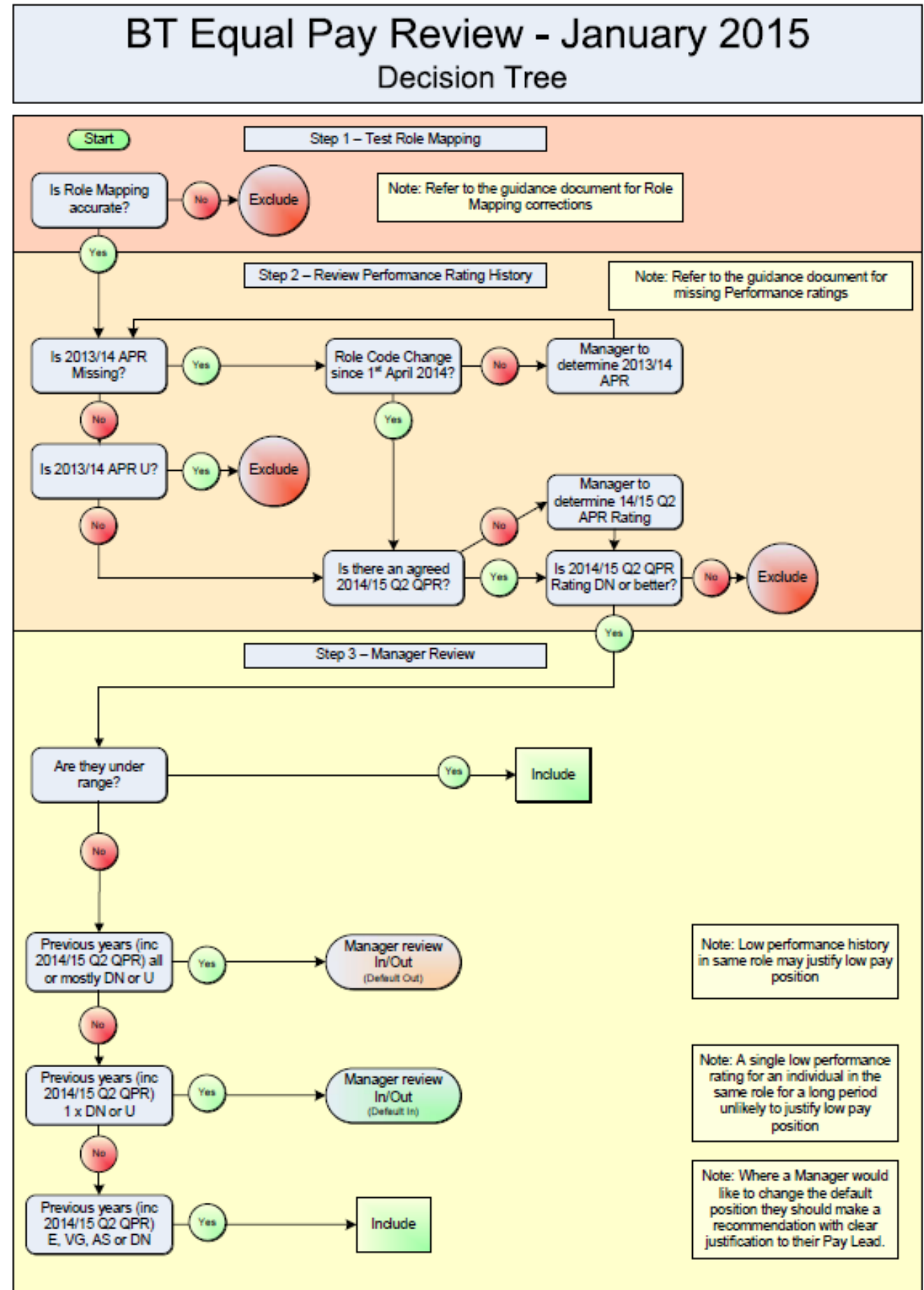
A. Individual is included in the review and will move to the minimum for their role or receive an increase in line with their 2014/15 APR rating, whichever is the greater amount. Where an individual has received a role code change since 1 April 2014, the Q2 2014/15 QPR will be taken as the basis instead.

E9. Are Graduates included in the review?

A Graduates on the BT Graduate Scheme are excluded from the Equal Pay Review.

Appendix 2

Decision Tree



Appendix 3

Questions & Answers

Q1. How do I calculate 85% of the mid-point of the range?

A1. If the salary range is £40,000 to £60,000, the mid-point of the range is the middle of this range i.e. £50,000. 85% of the mid-point = £50,000 x 0.85 = £42,500.

Q2. Why am I a Reviewing Manager?

A2. Reviewing Managers have been assigned as the most appropriate person to conduct the review for the employee. Typically, Reviewing Managers are the line managers of eligible people.

Q3. Does the review include Team Members?

A3. No.

Q4. Are Males and Females in scope for the review or just Females?

A4. Males and Females who meet the eligibility criteria are in scope for the equal pay review.

Q5. How does the equal pay review impact the Line of Business Through Year Pay processes?

A5. The equal pay review runs alongside existing line of business Through Year Pay processes.

Q6. When will equal pay awards take effect?

A6. Pay awards will be effective from 1st January 2015.

Q7. Are people who receive an equal pay award still eligible for the June 2015 annual review?

A7. Yes.

Q8. I am a Reviewing Manager who do I contact if I need further advice?

A8. Contact details for Equal Pay Leads are available on SharePoint.

Q9. Will individuals be moved to the bottom of the range for their role?

A9. Individuals who are confirmed as eligible and under the range for their role will be moved to the bottom of their range or receive an increase based on their 2013/14 year end APR whichever is the greater. Increases for those who have changed role since 1st April 2014 will be based on their Q2 APR.

Q10. Does the review include people who are based outside of the UK?

A10. The review includes all people on a UK contract. Additionally there may be instances of people on UK contracts working in a non-UK location who could be included in the review.

Q11. Can employees appeal against Reviewing Managers decisions?

A11. There is not a specific appeals process for this review. Employees should follow the normal grievance procedure.

Q12. Does the length of time in role determine eligibility or the size of the pay award?

A12. No.

Q13. I don't have a Line Manager right now – who will carry out my review?

A13. The most appropriate person will be assigned to review your case.

Q14. What role will be used to determine if I am eligible?

A14. Your role code as at 1st November 2014. If there is an error in the recorded role code for you, this will be investigated and rectified by your Reviewing Manager.

Q15. Are people on a TUPE arrangement eligible for the review?

A15. No. The Equal Pay Review is only applicable to those on a BT Reward Framework contract.

Q16. Are redeployees eligible for the review?

A16. Yes, individuals in a Reward Framework role who meet the eligibility criteria and performance levels are included in the review.